



MISSOURI SENATE

JEFFERSON CITY

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Senator Callahan Sponsors “Show-Me Small Business Districts” Bill to Spur Job Creation

JEFFERSON CITY – Missouri Senate Minority Floor Leader Victor Callahan, D-Independence, is sponsoring legislation designed to promote small business growth in areas of the state that are deemed “blighted.” Sen. Callahan testified in favor of Senate Bill 596 and its companion bill, Senate Joint Resolution 22, Wednesday before the Senate Progress and Development Committee.

“We have struggled with economic development issues and blight in this body for a long time, but sometimes the incentives we approve don’t do the things they were intended to do,” Sen. Callahan said. “Blight and poverty knows no boundary, and this bill is an attempt to provide economic development incentives for all areas of the state.”

SB 596 allows the governing body of any city in Missouri to designate “Show-Me Small Business Districts” within the city for up to 23 years. Eligible small businesses within the district would receive a reduction or an elimination of taxes on transactions covered under Missouri’s sales and use tax laws. The city would be required to hold public hearings prior to adopting the Show-Me Small Business District, and the final plan would have to be approved by the county in which the city is located and by the Missouri Department of Economic Development.

“This legislation gives cities like Independence the power to empower themselves by creating tax-favored small business districts in areas like Fairmount, Englewood and Maywood,” Sen. Callahan said. “This is *not* an economic development tool for big box stores or national chains like Walmart - *it’s to help our small businesses succeed*. When

small businesses thrive, they create jobs and they encourage other entrepreneurs to invest in their communities.”

Sen. Callahan says the companion resolution is necessary because the state Constitution prohibits government entities from waiving taxes for a particular area – the waiver must be uniform. The legislation would become effective upon voter approval of the constitutional amendment authorizing the creation of tax-free or reduced tax districts.

“The most important thing this General Assembly can do this year is to provide incentives to create jobs,” Sen. Callahan said. “This act helps the family-owned small business who is the great engine of Missouri’s economy.”

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